

CEAO  
6 Apr 98

SUBJECT: FY 98 Chief Financial Officers Act (CFO) Audit - INFORMATION PAPER

1. Purpose. Provide District Commander information concerning the FY 98 CFO focus issues and FY 99 goal.

2. Facts.

a. The Commanding General's 18 March 1998, memorandum set forth the USACE FY 98 corrective action plan and landed the Southwestern Division, finance center and HQUSACE staff for achieving an unqualified audit opinion for the Southwestern Division Civil Works consolidation financial statements. FY 98 will be used to correct systematic accounting issued identified in FY97, ensure that prior CFO audit corrective actions are still in place, and lay the framework for an unqualified opinion in the FY99 USACE Civil Works consolidated financial statements. A 15 July 1998, CFO corrective action assessment report will be provided HQUSACE.

b. The major FY97 corrective actions issues involve :

- (i) The reconciliation of the asset cost table with the general ledger;
- (ii) Reconciliation of civil and military disbursing of their accounts with treasury.
- (iii) Ensuring that the general ledger land costs include the acquisition costs such as recording fees, in house labor charges, preparatory contracts, etc.;
- (iv) Ensuring that general ledger land costs are not valued as zero or a negative amount.
- (v) Ensuring that asset sales are properly recorded as an asset sale rather than as miscellaneous revenue;
- (vi) Management of CEFMS access permissions; and,
- (vii) Management of permission and make district operating budget choices as part of the annual maintenance plan.

c. The district Internal Review (IR) staffs are during FY98 to validate the following CFO corrective action areas:

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- (i) Reconciliation of disturbing officer with treasury;
- (ii) Reconciliation of the general ledger with the asset cost table;
- (iii) Ensuring that land costs and asset sales are properly recorded;
- (iv) CEFMS access permissions; and,
- (v) The DD form 1354 project cost transfer system.

Review guides have been provided the IR staffs for the funds reconciliation, asset cost table comparison, analysis of CEFMS permissions, and use of the DD, 354 form.

d. The Southwestern Division lesson learned documents for reconciling funds with Treasury has been distributed and personal property lesson learned document is in final staffing. The U.S. Army Audit Agency FY97 CFO audit lesson learned document will be distributed when it is finalized.

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